

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM OCTOBER 12, 2011**  
**OPEN SESSION**

***MINUTES OF OCTOBER 12, 2011 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN NEW ORLEANS, LOUISIANA. PRESENT WERE CHAIRMAN JIMMY FIELD, VICE CHAIR CLYDE HOLLOWAY AND COMMISSIONERS FOSTER CAMPBELL, LAMBERT BOISSIERE AND ERIC SKRMETTA. ALSO PRESENT WAS EVE KAHAO GONZALEZ.***

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Open Session of October 12, 2011, convening at 9:09 A.M. and adjourning at 12:00 P.M., 400 Royal Street, New Orleans, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

Ex. 1                      Announcements

Commissioner Skrmetta introduced the Stuart Hall School for Boys third grade class as they lead the Pledge of Allegiance and the prayer. He further thanked the school for allowing this, as well as David Guerry and the Supreme Court for facilitating the meeting. Commissioner Skrmetta asked that we all keep Andre Laborde in our thoughts and prayers as he has been deployed to Afghanistan.

Commissioner Campbell thanked Commissioner Skrmetta for hosting this month's meeting in New Orleans and announced that the December B&E will be held in Winnfield, LA, with lodging and a reception the night before in Natchitoches, LA.

Commissioner Holloway announced that Plaquemines Parish President Billy Nungesser was in attendance.

Commissioner Field announced that Sydnie Mae Durand passed away the previous day. Mrs. Durand was a former Legislator.

Mrs. Amanda Smith announced that several potential market participants throughout each Entergy operating company region have asked for more introductory information related to MISO. Working with the several Staffs, MISO has agreed to do at least two training sessions in each state, October 26 and November 8 in Baton Rouge, Louisiana. The Commission encourages all interested parties to participate. More information will be posted on the MISO website as the dates get closer, and you can also contact David Guerry or Jamie Watts of Long Law Firm for additional information.

Commissioner Skrmetta asked Staff to suspend Dockets R-30021, the IRP docket, and R-3110, the Energy Efficiency docket, until August 2012, or if and until EPA suspends the Cross-State Rule. Commissioner Field was concerned about suspending the energy efficiency docket and asked that Staff look further into the ramifications of suspending it and report back next month. Commissioner Campbell opposed the suspension of either docket. After further discussion, Commissioner Skrmetta withdrew his request to suspend the dockets and directed Staff to meet with the utilities to discuss the logistics of the rules.

Commissioner Skrmetta announced that on October 17, 2010 at 1pm at the LSU Center for Energy Studies, Exxon will be giving a presentation on Innovation and Technology: Meeting the Energy Demand Challenge. Commissioner Field announced that LNGVC will meet at the CES on October 19, 2011. Commissioner Skrmetta announced that representatives of Shell Oil will be at the Jefferson Parish Library at 9 am on November 17, 2011 to discuss gas to liquid conversion.

Commissioner Field directed the utilities to report in December on how many natural gas vehicles they are currently using and what their plans are for 2012.

Ex. 2                      **T-30707 - L. Thibodeaux Trucking, Inc. (Church Point, Louisiana), ex parte. In re: Application for a common carrier certificate authorizing the transportation of contaminated oilfield liquid waste, cuttings and solid waste, statewide.**

**In re: Discussion and possible vote to rescind Order No. T-30707.**

On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Staff Recommendation and rescind Order No. T-30707 issued June 11, 2009.]

- Ex. 3      **T-30162** - Vacuum Industrial Service, LLC (Ponchatoula, Louisiana), ex parte. In re: Application for a common carrier certificate authorizing the transportation of sewer water, oily water and oily sludge within a 100 mile radius of Ponchatoula, Louisiana for disposal.

**In re: Discussion and possible vote to rescind Order No. T-30162.**

On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and rescind Order No. T-30162 issued on January 23, 2008.

- Ex. 4      **T-31853** - Louisiana Household Goods Carriers Association, Inc. (Baton Rouge, Louisiana), ex parte. In re: Application to amend Louisiana Household Goods Carriers Tariff VIII by filing Tariff IX increasing Section II haul rates by 7% and increasing certain Section I charges for additional services.

**In re: Discussion and possible vote on Stipulated Agreement Pursuant to Rule 57.**

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to exert its original and primary jurisdiction and take this matter up pursuant to Rule 57.

On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the stipulation between LHGCA and Staff, granting the association the requested amendment to its tariff and resulting 7% rate increase.

- Ex. 5      **T-32017** - Fayzollah Tork Ghashghaee dba Airport Shuttle (Plaquemine, Louisiana), ex parte. In re: Application to increase tariff rates for LPSC 6303.

**In re: Discussion and possible vote on Stipulated Agreement Pursuant to Rule 57.**

On motion of Commissioner Field, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to exert its original and primary jurisdiction and take this matter up pursuant to Rule 57.

On motion of Commissioner Field, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept the Staff Recommendation as read into the record.

- Ex. 6      **T-32016** - Louisiana Public Service Commission vs. Alliance Movers (Shreveport, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45, 161 through 180.1, as amended, by operating intrastate without LPSC authority by engaging in activities related to moving household goods prior to complying with the requirements of La. R.S. 45:164E(1).

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the ALJ Recommendation as read into the record.

- Ex. 7      **T-31423** - Keith Harrison Construction, LLC (Ringgold, Louisiana), ex parte. In re: Application for a Common Carrier Certificate of non-hazardous oilfield waste and non-hazardous industrial solid waste over irregular routes statewide.

**In re: Request for Oral Argument received.**

On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the ALJ Recommendation on the vacuum truck issues and reject the ALJ Recommendation on the dump and roll-on/roll-off truck issues and grant the

application for authority as amended by the restricted amendment filed August 31, 2010.

- Ex. 8      **T-31876** - Target Oilfield Services, LLC (Shreveport, Louisiana), ex parte. In re: Application for Common Carrier Certificate of non-hazardous oilfield waste and non-hazardous industrial solid waste over irregular routes, statewide.

**In re: Request for Oral Argument received.**

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to reject the ALJ Recommendation and grant the application for authority as amended by the Boles amendment.

- Ex. 9      Discussion of the Commission's vote from the September B & E to exempt common and contract carriers from the LPSC General Order dated March 19, 1994.

On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to vacate the vote of the Commission at the September 7, 2011 B&E whereby the Commission voted to exempt common and contract carriers from the applicability of General Order dated March 18, 1994. The Staff was directed to open a rulemaking to review the provisions of General Order dated March 18, 1994 and in the rulemaking make suggestions as to how to best streamline and simplify those provisions which can remain applicable in sales and transfers for common and contract carrier certificates and assets.

- Ex. 10      **U-20925 SUBDOCKET B** - Louisiana Public Service Commission, ex parte. In re: An examination of the effects of the contract between Entergy Louisiana and Catalyst Old River Hydroelectric Limited partnership on the ratepayers of Louisiana.

**In re: Discussion and possible vote to approve Settlement Term Sheet.**

On motion of Commissioner Field, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the uncontested Final Settlement Term Sheet filed on September 30, 2011, which is signed by all parties and authorizes the annual refunds of \$20.235M for each of the next 15 years.

- Ex. 11      **U-27103** - Louisiana Public Service Commission, ex parte. In re: Investigation into the fuel adjustment clause practices of Entergy Gulf States, Inc. and its affiliates.

**In re: Discussion and possible vote regarding Uncontested Stipulated Settlement.**

On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the uncontested stipulated settlement as filed into the record on September 16, 2011 and supported by all parties to this proceeding. This settlement provides \$18M in refunds to customers through a one-time credit on customers' bills and provides numerous compliance requirements to help ensure continued compliance with the Commission's FAC General Order to help ease the process in future audits.

Commissioner Field directed Staff to open a docket to determine if the other jurisdictional electric utilities should also be required to have and follow a Fuel Adjustment Clause manual.

- Ex. 12      **U-31835** - South Louisiana Electric Cooperative Association (SLECA), ex parte. In re: Application for approval of a formula rate plan (FRP) and initial revenue adjustment.

**In re: Discussion and possible vote on Proposed Joint Stipulation.**

On motion of Commissioner Field, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Joint Stipulation executed by Staff and by South Louisiana Electric Cooperative Association, subject to the clarification made by the Parties at the September 22, 2011 Hearing that the Parties shall

have until April 10 of the year following the ending of each test year to review the FRP annual report to ensure that it complies with the requirements of the Rider FRP.

- Ex. 13      **S-32029** - South Louisiana Electric Cooperative Association, D/B/A SLECA, ex parte. In re: Request for a letter of non-opposition to the borrowing of funds from the Rural Utilities Service (RUS).

**In re: Discussion and possible vote on Petition for Letter of Non-Opposition.**

On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and issue a letter of non-opposition subject to the conditions read into the record.

- Ex. 14      **U-32095** - Southwestern Electric Power Company (SWEPCO), ex parte. In re: Application for Certification of Contracts for the Purchase of Long Term Renewable Resources.

**In re: Request to extend the scope of the previously approved budget for Exeter Associates, Inc. in SWEPCO's RFP to include certification.**

On motion of Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve Exeter's request to assist Staff with this certification proceeding under the budget remaining in the RFP proceeding.

- Ex. 15      **U-29203** - Entergy Gulf States, Inc. and Entergy Louisiana, Inc., ex parte. In re: Joint Application of Entergy Gulf States, Inc. and Entergy Louisiana, Inc. for Interim and Permanent Recovery in Rates of Costs Related to Hurricanes Katrina and Rita. AND **U-30981** - Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC, ex parte. In re: Joint Application of Entergy Gulf States Louisiana, L.L.C. and Entergy Louisiana, LLC for Recovery in Rates of Costs Related to Hurricanes Gustav and Ike.

**In re: Ratification of LURC 2011 Annual Report.**

On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept and approve the September 27, 2011 Annual Report of the LURC Board of Directors, including the Annual Operating Budget for the fiscal year ending June 30, 2012 and interim and annual financial statements for the fiscal year ending June 30, 2011.

- Ex. 16      **S-31867** - TerraCom, Inc., ex parte. In re: Application for Designation as an Eligible Telecommunications Carrier ("ETC") for the Purpose of Receiving Federal Universal Service Funds (Low Income only).

**In re: Discussion and possible vote on Staff Recommendation.**

On motion of Commissioner Field, seconded by Commissioner Boissiere, with Commissioners Holloway and Skrmetta concurring and Commissioner Campbell temporarily absent, the Commission voted to accept the Staff Recommendation and 1) Find that TerraCom, Inc. has met the requirements of the Communications Act of 1934 for designation as an ETC in those areas served by BellSouth Telecommunications, Inc. d/b/a AT&T Louisiana; and 2) Grant TerraCom, Inc. the ETC status as requested in their Application for Designation as an Eligible Telecommunications Carrier on a Wireless Basis filed on March 28, 2011.

- Ex. 17      **S-31967** - Louisiana Public Service Commission, ex parte. In re: LPSC Audit of Purchase Gas Adjustment Filings of Entergy Gulf States Louisiana, L.L.C. from January 2003 to December 2008.

**In re: Discussion and possible vote on Staff's Report and Recommendation.**

On motion of Commissioner Field, seconded by Commissioner Boissiere, with Commissioners Holloway and Skrmetta concurring and Commissioner Campbell temporarily absent, the Commission voted to accept the Audit Report filed by Staff June 16, 2011 with the clarifications made by EGSL on September 27, 2011.

- Ex. 18      **S-32091** - Cleco Power LLC., ex parte. In re: Informational Filing, containing Request for Proposals for Contractual Resources to Meet the Cross-State Air Pollution Rule beginning in May 2012.

**In re: Discussion and possible vote to hire outside consultant to assist Staff in this matter.**

Commissioner Holloway made a motion to retain Acadian Consulting Group; however, this motion died for lack of a second.

On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, with Commissioners Field and Boissiere concurring and Commissioner Holloway objecting, the Commission voted to retain Exeter Associates for a budget of \$46,750 in fees plus expenses not to exceed \$4,500 for a total not to exceed \$51,250 to assist Staff in this matter.

- Ex. 19      **S-31838** - Claiborne Ward Nine Water System, Inc., ex parte. In re: Request for a rate increase (non-profit system).

**In re: Discussion and possible vote on Staff Recommendation.**

On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, with Commissioners Field and Boissiere concurring and Commissioner Holloway objecting, the Commission voted to pass this item.

**PASSED**

- Ex. 20      **S-31849** - Summerfield Water Systems, Inc., ex parte. In re: Request for an increase in water rates (non-profit system).

**In re: Discussion and possible vote on Staff Recommendation.**

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the recommended rate increase and additional conditions contained in the Audit Memorandum filed into the record on August 24, 2011.

- Ex. 21      Smart Grid and Advanced Metering Infrastructure (AMI) systems in Louisiana.

**In re: Discussion and possible vote to hire outside consultant to assist Staff in this matter.**

On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to retain Henderson Ridge Consulting for a budget of \$41,250 in fees plus \$4,125 in expenses for a total of \$45,375 to assist Staff in this matter.

Commissioner Skrmetta directed Staff to examine, in the course of Commission's ongoing Docket on advanced metering infrastructure, mechanisms for providing educational opportunities to the public about the characteristics of smart meters, including, but not limited to, addressing privacy concerns and explaining possible options for and economic impacts of voluntary abstention from participation in smart meter programs.

- Ex. 22      **X-32020** - Louisiana Public Service Commission, ex parte. In re: First annual review of the federal environmental adjustment clause filings of Southwestern Electric Power Company.

**In re: Discussion and possible vote to hire an outside consultant to assist Staff in this matter.**

On motion of Commissioner Campbell, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to retain J. Kennedy and Associates, Inc. for a budget of \$15,000 in fees plus \$900 in expense for a total budget not to exceed \$15,900.

Ex. 23 Louisiana Public Service Commission, ex parte. In re: First annual review of the federal environmental adjustment clause filings of Cleco Power, L.L.C.

**In re: Discussion and possible vote to hire outside consultant to assist Staff in this matter.**

On motion of Commissioner Field, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to retain J. Kennedy and Associates, Inc. for a budget of \$15,000 in fees plus \$900 in expense for a total budget not to exceed \$15,900.

Ex. 24 Request to hire Outside Consultant to assist Staff with Cleco Power LLC's upcoming Request for Proposals for Biomass Fuel Resources.

On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain J. Kennedy and Associates, Inc to assist Staff in this matter for a total budget not to exceed \$24,500, including fees of \$22,500 and expenses of \$2,000.

Ex. 25 **U-31944** - Entergy Louisiana LLC, ex parte. In re: 2010 Test Year Formula Rate Plan Filing.

**In re: Discussion and possible vote on Draft Order Accepting Joint Report.**

**In re: Discussion and possible vote on ELL's Motion for Extension of Formula Rate Plan.**

By a vote of 3 to 2, with Commissioners Field, Campbell and Boissiere concurring and Commissioners Holloway and Skrmetta objecting, the Commission voted to pass the discussion and possible vote on ELL's Motion for Extension of Formula Rate Plan until next month.

On motion of Commissioner Field, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the joint report of proceedings and draft order filed into the record, which conclude the 2010 Test Year Formula Rate Plan review.

Ex. 26 **U-31966** - Entergy Gulf States Louisiana, LLC, ex parte. In re: Test Year 2010 Formula Rate Plan Filing.

**In re: Discussion and possible vote on Draft Order Accepting Joint Report.**

**In re: Discussion and possible vote on EGSL's Motion for Extension of Formula Rate Plan.**

By a vote of 3 to 2, with Commissioners Field, Campbell and Boissiere concurring and Commissioners Holloway and Skrmetta objecting, the Commission voted to pass the discussion and possible vote on EGSL's Motion for Extension of Formula Rate Plan until next month.

On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the report and draft order filed into the record.

Commissioner Field also requested that the LEUG meet with Entergy to go over LEUG's proposal regarding the FRP extension for both companies that had not yet been presented to Entergy.

Ex. 27 Presentation by CLECO regarding any money savings and/or trade benefits realized by ratepayers should CLECO join an RTO.

**PULLED**

- Ex. 28      1) Reports  
              2) Resolutions - Possible Resolution regarding EPA Regulations  
              3) Discussions

On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to adopt Resolution No. 2011-07 regarding EPA regulations.

- Ex. 29      Proposed settlement of FERC Docket ER10-1676 and proposed partial settlement of FERC Docket EL10-65, regarding treatment of acquisition adjustment in FERC rough production cost equalization bandwidth formula.

**At the request of Commissioner Field.**

On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept Outside Counsel and Consultant's Recommendation and approve the settlement in FERC Docket ER 10-1676 and the partial settlement in FERC Docket EL 10-65.

- Ex. 30      **U-31792** - Cleco Power LLC, ex parte. In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for: (i) Authorization to Install Certain Biomass Fuel Conversion Equipment at its Madison Unit No. 3 (Madison 3) Generating Facility; (ii) Authorization to Test Burn Biomass Fuel in Madison 3; and (iii) Authorization to Install Biomass Fuel Conversion Equipment and Test Burn Biomass Fuel.

**In re: Discussion and possible vote on Proposed Uncontested Stipulated Settlement.**

**At the request of Commissioner Holloway.**

On motion of Commissioner Holloway, seconded by Commissioner Field, with Commissioners Campbell and Skrmetta concurring and Commissioner Boissiere temporarily absent, the Commission voted to accept the Staff Recommendation and approve the Proposed Uncontested Stipulated Settlement executed by Staff and Cleco Power, LLC.

- Ex. 31      **S-31865** - T-Mobile Central, LLC, ex parte. In re: Application for Designation as an Eligible Telecommunications Carrier (ETC) for the purposes of receiving Universal Service Support for low income and rural service.

**In re: Discussion and possible vote on Staff Recommendation.**

**At the request of Commissioner Field.**

On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept Staff Recommendation and grant the requested ETC designation based on the following conditions: 1) As part of the uncontested stipulated settlement agreement reached by T-Mobile, the SCC and Staff, T-Mobile made a number of commitments regarding the use and expenditures of ETC funds. While the terms of these commitments are confidential, Staff recommends they be adopted by the Commission as part of this designation; and 2) Should the acquisition of T-Mobile by AT&T be formally approved on the federal level, the Commission will reconsider this designation

**MEETING ADJOURNED**

The next Business and Executive Session will be held November 9, 2011 at 9:00 a.m. in Baton Rouge, Louisiana.